



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt resolution amending the Electric Utility Department (EUD) Rules and Regulations Nos. 13, 15 and 16 to recover the full cost of expanding the electric distribution system from new electric load

MEETING DATE: September 20, 2006

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution amending the Electric Utility Department Rules and Regulations Nos. 13, 15 and 16 to recover the full cost of expanding the electric distribution system from new electric load.

BACKGROUND INFORMATION: Rules 13, 15 and 16 stipulate the responsibilities of the Electric Utility Department (EUD) and developers for expanding the electric distribution system to serve new electric load.

Presently, developers/customers are responsible for trenching, excavation, backfill and compaction for underground systems. The developer/customer is also responsible for all required substructures such as vaults, conduit, transformer pads, pedestals, etc.

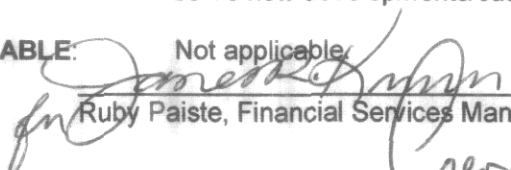
EUD is responsible for all other equipment and installation costs including conductors, transformers and metering (overhead and underground.)

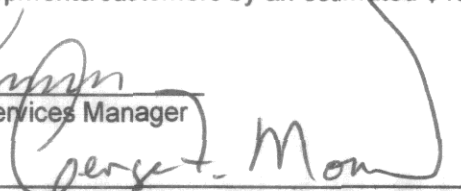
A review of line extension policies of other regional utilities shows a trend towards assigning full cost responsibility to the developers/customers requiring new electric facilities to be installed. Staff analyzed the actual cost of expanding the City's electric distribution system to serve new developments for the fiscal years 2002 through 2005. The four-year average cost of such improvements is approximately \$546,000 in which the City incurred 67% of the cost (~\$366,000/year) while the developer/customer was responsible for 33% of extension costs (~\$180,000/year).

Staff recommends modification of the existing EUD Rules and Regulations to recover the full cost of expanding its electric distribution system from developers. These costs include electric line extensions, service connections and substructures. The proposed amendments to EUD's Rules and Regulations No. 13 (Temporary Service), No. 15 (Extension of Facilities) and No. 16 (Service customers Connections) are shown in Attachments A, B and C respectively.

FISCAL IMPACT: This action will reduce future operating and capital budget expenditures by EUD to serve new developments/customers by an estimated ~~\$400,000~~ per year.

FUNDING AVAILABLE: Not applicable.


Ruby Paiste, Financial Services Manager


George F. Morrow, Electric Utility Director

PREPARED BY: Demy Bucaneg, Jr., P.E., Sr. Power Engineer

APPROVED: 
Blair King, City Manager



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

RULE AND REGULATION NO. 13

TEMPORARY SERVICE

A. Establishment of Temporary Service

The City will furnish temporary service, including service to operations of a speculative nature or of questionable permanency, under the following conditions:

1. If undue hardship to the City or to its customers does not result therefrom.
2. The applicant shall pay to the City, in advance, the estimated cost of installing and removing all facilities required for temporary service. This cost to include, but not limited to, non-salvageable material, prorated cost (3 yrs/life) of salvageable material, excluding transformer(s) and labor for the installation and removal.
3. The applicant shall establish credit pursuant to Rule and Regulation No. 6.
4. Single-phase service of 100 ampere or less supplied to contractors for construction purposes will be installed by the City for a fixed non-refundable "Temporary Service Hook-up Charge" provided such hook-up is for connection of customer-owned service pole per City standards, to existing City facilities, only. Facilities may be installed under Section 2 above. Construction service whereby the contractor installs the service entrance in a permanent location may be assessed for the line extension and/or service connection as per Rule No. 15 and/or 16.
5. Nothing in this Rule and Regulation shall limit or affect the right of the City to collect from the customer any other or additional sums of money, which may become due and payable to the City from the customer by reason of the temporary service furnished or to be furnished. The City may refuse electric service if, in the judgment of the City, unsafe or hazardous conditions exist.



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B. Change to Permanent Status

1. If at any time the character of a temporary customer's operations change such that, in the opinion of the City, the customer should be classified as permanent, or when a customer served under this Rule has operated the electrical equipment originally installed or electrical equipment of the same power requirements for a period of 36 consecutive months from the date service is first delivered under this Rule and has proved the permanency of the business to the City's satisfaction, the customer will be classified as permanent.
2. Upon reclassification from temporary to permanent service, the customer will be refunded the amount advanced under A-2 above less any liability the customer may have for the line extension (formerly temporary service) per Rule No. 15 and/or 16 in effect at time of reclassification.

C. Customer-Owned Generation Facilities

There shall be no connection of customer-owned generation facilities to the City's electric system under this Rule. A special agreement is required for connection of any customer-owned generation facilities to the City's electric system. (See Rule and Regulation No. 21).



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RULE AND REGULATION NO. 15

EXTENSION OF FACILITIES

A. Individual Applications and Advance Notice:

1. Electric line extensions will be constructed, owned, operated and maintained by the City to supply individual applicants with electric service at their request in accordance with this and other applicable City Rules and Regulations.
2. Applicants shall provide sufficient advance notice in order that service can be rendered by the time such service is required. The required advance notice will vary in consideration of the scope of the project, availability of equipment and material, and the City's workload at the time of application.

B. Extensions of Questionable Permanency:

Line extensions to provide temporary service or to serve installations which in the opinion of the City are of a speculative nature or of questionable permanency shall be served under Rule No. 13.

C. Extensions Subject to Rights-of-Way or Easements:

City line extensions will be constructed only along public roads and highways and upon private property across which satisfactory easements and/or rights-of-way can be obtained without cost to or condemnation by the City.

D. Line Extensions:

1. General:

The City will extend all permanent distribution lines underground and connect to underground services in accordance with this rule and Rule No.16. However, the following exceptions allow for continued construction and use of overhead distribution facilities:

- a. Where overhead distribution facilities exist and are expected to remain indefinitely.
- b. In areas where growth and development indicate the area will remain unchanged for many years.



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- c. In light and heavy industrial areas for the operating convenience of the City.
 - d. in certain areas where lines may be constructed along major rights-of-way to supply bulk power to other areas beyond the area they traverse.
2. Developer's/Applicant's Construction Responsibilities:
- a. Provide all trenching, excavation, backfill (including imported backfill) and compaction per specifications and requirements of the City. At the City's option, the City may actually perform all or a part of this work and be reimbursed by the Developer/Applicant prior to construction.
 - b. Furnish and install all substructures per City design and specifications. Substructures shall include all conduits, primary and secondary vaults, service boxes, transformer pads and ground rods and conductors. At the City's option, the City may actually perform all or a part of this work and be reimbursed by the Developer/Applicant prior to construction. If the Developer/Applicant installs the substructure, the City will periodically inspect for quality of work and a fee will be assessed. This fee is payable prior to construction.
 - c. Upon installation of electrical components by the City, the substructure system installed under 2b shall be owned and operated by the City. However, the Developer/Applicant at his/her expense shall repair all damages to the substructure system for a period of one year following the date of acceptance of the development by the City Council or date of energization in developments not subject to acceptance by the City Council, whichever is later. Such repair shall include trench, transformer pad or service box settlement, damage to vaults, boxes or conduits, etc.
 - d. All conduits shall be mandrel proved by the Developer/Applicant in the presence of an Electric Utility Department inspector prior to installation of any electrical components. A pull string shall be installed in all conduits. Pull string and mandrel shall be to the specifications of the City.



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- e. The Developer/Applicant shall notify the Electric Utility Department 48 hours in advance of any substructure installation scheduled outside of the normal workday (Monday through Friday). Developer/Applicant shall pay all overtime premiums associated with inspections outside of the normal workday.
 - f. Advance a nonrefundable payment, prior to construction by the City, for any line extension outside the boundary of the development for relocation or modification of any existing facilities.
 - g. For all work to be performed by the City, advance a nonrefundable payment before work is begun for on-site line extension costs, including, but not limited to labor, conductors, transformers and switches.
 - h. Provide all surveying and staking of grades, property lines, right-of-way, and sidewalks for the proposed sites of electrical equipment.
 - i. Provide and install all street lighting materials, per City design and specifications, on all public roadways. Developer/Applicant is responsible for the design, installation and maintenance of streetlights on private roadways or traffic areas.
 - k. All work that will be performed by the Developer/Applicant shall be subject to the approval by the City.
3. City's Responsibility:
- a. Provide final project design of improvement plans submitted for review and approval by the City.
 - b. The City reserves the right to furnish substructures and/or conduits to be installed by developer/applicant. The City will require payment for these materials and equipment prior to delivery and construction. If such is desired by the City, the City will issue a written notice to Developer/Applicant
 - c. Furnish and construct transmission line (60kV) and distribution substation facilities to accommodate new development within the service area.



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E. Special Service Request:

An applicant requesting service at a different voltage than that presently available in an area or requesting capacity for intermittent use (X-ray equipment, motor testing power, etc.) may obtain such service if in the sole judgment of the City it is practical to supply such service without adverse effect on the existing system. The applicant will be required to make a nonrefundable payment prior to construction that is in an amount equal to the estimated cost of the special service, including transformation costs.

F. Exceptional Case:

In unusual circumstances, when the application of this rule appears impractical or unjust to either party, the City or the Developer/Applicant may refer the matter to the City Council for special ruling or for the approval of special conditions which shall be mutually agreed upon prior to commencing construction.

G. Modification of Existing System:

A customer wanting to modify the City's existing system solely for the customer's benefit may have the City do so provided:

- a. Such modification has no adverse effect on the City's system or existing customers.
- b. The customer makes a nonrefundable payment, prior to construction, equal to the estimated cost of such modification.

H. Noncontiguous Developments:

The City will extend its facilities to serve noncontiguous developments within city limits provided:

- a. The Developer/Applicant makes a nonrefundable payment, prior to construction, equal to the estimated amount of the supply extension(s) necessary to serve the development.
- b. The Developer/Applicant obtains at no cost to the City the necessary and satisfactory easements and/or rights-of-way for the extension(s).



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I. City-Furnished Facilities:

The City may furnish and install, at its expense:

- a. Distribution system components solely for the operating convenience of the City.
- b. Bulk transmission and substation facilities to serve the combined load growth of the City, i.e., the combined load of existing customers.

J. Conflict with Equipment and Facilities:

Equipment and facilities, including metering equipment, installed by the City within easements and rights-of-way that subsequently become obstructed, covered, inaccessible, exposed to traffic, incorrectly applied, etc., as a result of actions such as landscaping, screening, fencing, driveway widening, etc., solely caused by and to the benefit of the property owner and/or occupant of the property where such equipment and facilities were originally installed, shall have corrective measures implemented, per City's approval, at the property owner's and/or occupant's expense.

K. Tree Trimming (Line Clearing):

The Electric Utility Department will from time to time trim, clear away and, if necessary, cut down trees and brush in the vicinity of its overhead lines. "Vicinity" as used herein shall mean from six to ten feet clearance around the primary and secondary conductors, if possible, but in no event shall less than four feet be obtained. These clearances around services (service drops), although desirable, may not be possible in all cases without extreme impact on landscaping.

Tree trimming (line clearing) is done to improve the overall system reliability, to eliminate hazards from trees and branches falling on the lines and per General Order No. 95 of the State of California, Rule 35 which states, "Where overhead wires pass through trees, safety and reliability of service demand that a reasonable amount of tree trimming be done in order that the wires may clear branches and foliage."

The City will perform the necessary trimming to clear the lines, will remove all brush and trimmings from the premises and, if requested by the property owner, will leave any and all valuable timber and wood at the site.

The City will not perform any shaping or overall trimming of trees.



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RULE AND REGULATION NO. 16

SERVICE CONNECTIONS AND FACILITIES ON CUSTOMER'S PREMISES

A. Service in Areas Supplied by Overhead Facilities

1. Below 600 Volts

The City will install, own, operate and maintain an overhead service along the shortest practical route from the City's distribution system to the Point of Interconnection. The customer shall furnish, install, own and maintain all conduits, conductors and other equipment, except metering equipment, beyond the Point of Interconnection.

2. Primary Overhead Service (12,000 Volt)

- a. The City will install, own, operate and maintain a primary overhead service along the shortest practical route from the City's distribution system to the Point of Interconnection. Such overhead primary service will include a pole with associated hardware and cabinets for metering equipment, if necessary. The City will require a nonrefundable payment, prior to construction, in the amount of the estimated cost of the service (including conductor, splices, pull box, labor, etc. as applicable).
- b. The customer/applicant shall install, own and maintain the Point of Interconnection consisting of facilities for termination of primary overhead service conductors, protection devices and a three-phase gang-operated disconnect switch all to be approved by the City. The customer's Point of Interconnection may include facilities for metering equipment. Such metering facilities shall be approved by the City and conform to the requirements of Electric Utility Service Equipment Requirements Committee (EUSERC).

3. Overhead Service at Transmission Voltage (60,000 Volt)

Service at this voltage level is available only at select locations throughout the City. Specific requirements for this type of service will be determined at time of application.



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4. Underground Service from Overhead Facilities (Transformation on Overhead System)

The City will install a service along the shortest practical route from the City's distribution system to the customer's service equipment under the following conditions:

- a. The customer shall provide all trenching, backfill and compaction and shall furnish and install all conduits, including riser, all per City's specifications.
- b. The City will furnish and install all conductors from the distribution system to the customer's termination facilities, including completion of the riser. The City will require a nonrefundable payment, prior to construction, in the amount of the estimated cost of the service (including conductor, splices, pull box, labor, etc., as applicable).
- c. Underground services installed under this section of the rule, upon energization, shall be owned, operated and maintained by the City with the exception of any conduit or duct on or within the outside perimeter of the building.

B. Service in Areas Supplied by Underground Facilities

1. Below 600 Volts

The City will install a service along the shortest practical route from the City's distribution system to the customer's service equipment under the following conditions:

- a. The customer shall provide all trenching, backfill and compaction and shall furnish and install all conduits per City's specifications.
- b. The City will furnish and install all conductor from the distribution system to the customer's termination facilities. The City will require a nonrefundable payment, prior to construction, in the amount of the estimated cost of the service (including conductor, splices, pull box, labor, etc., as applicable).
- c. Underground services installed under this section of the rule, upon energization, shall be owned, operated and maintained by the City with the exception of any conduit or duct on or within the outside perimeter of the building.



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2. Primary Underground Service (12,000 Volt)

The City will install, own, operate and maintain conduit and conductor along the shortest practical route from the City's distribution system to the customer's termination facilities. The City will require a nonrefundable payment, prior to construction, in the amount of the estimated cost of the service (including conductor, splices, pull box, labor, etc., as applicable). All trenching, excavation, backfill and compaction, to City specifications, shall be furnished by the customer.

Customer termination facilities (service equipment) shall be approved by the City and shall include a three-phase gang-operated switch, protection devices, cable termination devices per City requirements and provisions for metering equipment per EUSERC.

3. Underground Service (60,000 Volt)

Underground service at this voltage level (60,000 volt) is not available.

C. Temporary Services

Temporary services, including services to installations of a speculative nature or of questionable permanency, shall be provided under Rule No. 13.

D. Electrical Service Inspections

1. No new or newly rewired electrical installation will be energized by the City without a signed electrical Service Order from the Building Inspection Division of the City of Lodi.
2. In cases where the Building Inspection Division of the City of Lodi does not have direct jurisdiction and inspections are performed by another agency, a service order generated from a 'courtesy inspection' by the City's Building Inspection Division will be required prior to energization.



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E. Service Connections

1. The City will not connect to any single building more than one service for each voltage classification, either overhead or underground, except:
 - a. For the City's operating convenience;
 - b. Where such additional service may be warranted because of load requirements; and/or
 - c. Where the customer is required by law to have certain emergency services.
2. Connection of service to or disconnection from the City's lines shall be made only by authorized employees of the City.

F. Ownership of Facilities

1. All facilities installed on a customer's premises, including, but not limited to poles, conductors, transformers, meters etc., which are furnished by the City in order to render service, shall remain the sole property of the City.
2. The customer shall not charge the City rent or any other charge for the facilities placed on the customer's premises.

G. Right of Access

1. The City shall have the right of access to the customer's premises, without payment of any charge therefore, at all reasonable hours for any purpose related to the furnishing of electric service, including, but not limited to meter reading, testing, inspection, construction, maintenance, tree trimming and repair of facilities.
2. Service may be refused or disconnected pursuant to Rule No. 11, if permanent accessibility is not provided by the customer.
3. Upon termination of service, the City shall have right of access to the customer's premises to remove its facilities installed thereon.
4. The customer shall obtain and provide the City with all necessary easements as required by the City.



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H. Metering Installations

1. Location

- a. All meters and metering equipment except cabinets will be supplied and installed by the City upon the customer's premises at a location approved by the City's Electric Utility Department.
- b. All meters shall be accessible to authorized employees of the City at all times for inspection, testing and reading.
- c. The City may require a customer to relocate a metering installation, at his expense, if an existing meter location becomes inaccessible or an infraction has been created.

2. Sealing

- a. The customer shall furnish a suitable means for the City to place its seal on the main switch and on the meter and any other enclosure which contains unmetered service conductors.
- b. All metering installation shall be sealed by the City and no such seal shall be broken or tampered with except by a representative of the City authorized to do so.

3. General Metering Requirements

The City's metering requirements are, in general, those of the Electric Utility Service Equipment Requirements Committee (EUSERC). Contact the City for specific details. Metering installations shall conform to Lodi Municipal Code Chapter 13.20, Article II.

I. Customer Responsibility for Facilities

1. The customer shall exercise reasonable care to prevent facilities of the City installed on his/her premises from being damaged or destroyed and shall refrain from tampering or interfering with such facilities, and if any defect therein is discovered by the customer, he/she shall promptly notify the City thereof.
2. The customer shall, at his/her sole risk and expense, furnish, install, inspect, and keep in good and safe condition all electrical facilities required for receiving electric energy from the lines of the City, regardless of the location of the transformers, meters, or other equipment of the City,



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and for utilizing such energy, including all necessary protective devices and suitable housing therefore, and the customer shall be solely responsible for the transmission and delivery of all electric energy over or through the customer's wires and equipment, and the City shall not be responsible for any loss or damage occasioned thereby.

3. The City shall not be responsible for any failure of a customer-owned main disconnect and/or circuit breaker, at the Point of Interconnection, or any other customer-owned equipment as a result of being operated by City personnel for the purpose of establishing safety isolation between the customer's and the City's electrical system or as a result of the City's normal operating practice.
4. All service switches, cutouts and similar devices required in connection with a service and meter installation on customer's premises shall be furnished and installed by the customer in accordance with City specifications. Such equipment shall be maintained in good working order by the customer.
5. All electrical equipment by the customer shall conform to the standards of governing agencies.

RESOLUTION NO. 2006-_____

DRAFT

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
AMENDMENTS TO THE ELECTRIC UTILITY DEPARTMENT'S
RULES AND REGULATIONS NOS. 13, 15, AND 16

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WHEREAS, on March 1, 1989, the City Council adopted Ordinance No. 1447 §13.20.010 of the Lodi Municipal Code, authorizing and allowing adoption by resolution Rules and Regulations for the Electric Utility Department; and

WHEREAS, on May 18, 1994 the City Council adopted Resolution No. 94-58 adopting by reference, certain Rules and Regulations; and

WHEREAS, amendments to the Electric Utility Department Rules and Regulations are necessary from time to time.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby amends the Electric Utility Department's Rules and Regulations No. 13 – Temporary Service, No. 15 – Extension of Facilities, and No. 16 – Service Customers Connections as shown on Attachments A, B and C respectively; and

BE IT FURTHER RESOLVED that the amended regulations will be effective for new electric service plans approved on and after October 1, 2006.

Dated: September 20, 2006

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I hereby certify that Resolution No. 2006-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 20, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN
Interim City Clerk

2006-_____